

**State:** District of Columbia **First Filing Company:** State Auto Property and Casualty Insurance Company, ...

**TOI/Sub-TOI:** 17.2 Other Liability-Claims Made Only/17.2024 Internet Liability

**Product Name:** Cyber - Forms

**Project Name/Number:** Cyber Liability/DC\_CGL\_FM\_20161215\_SAC\_CYB

## Filing at a Glance

Companies: State Auto Property and Casualty Insurance Company  
State Automobile Mutual Insurance Company

Product Name: Cyber - Forms

State: District of Columbia

TOI: 17.2 Other Liability-Claims Made Only

Sub-TOI: 17.2024 Internet Liability

Filing Type: Form

Date Submitted: 11/11/2016

SERFF Tr Num: SAMM-130760124

SERFF Status: Assigned

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State Status:

Co Tr Num: DC\_CGL\_FM\_20161215\_SAC\_CYB

Effective Date: 12/15/2016

Requested (New):

Effective Date: 12/15/2016

Requested (Renewal):

Author(s): Doug Griffith, Barb Wickham

Reviewer(s): Angela King (primary)

Disposition Date:

Disposition Status:

Effective Date (New):

Effective Date (Renewal):

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## General Information

Project Name: Cyber Liability Status of Filing in Domicile:  
Project Number: DC\_CGL\_FM\_20161215\_SAC\_CYB Domicile Status Comments:  
Reference Organization: Reference Number:  
Reference Title: Advisory Org. Circular:  
Filing Status Changed: 11/14/2016  
State Status Changed: Deemer Date:  
Created By: Barb Wickham Submitted By: Barb Wickham  
Corresponding Filing Tracking Number:

### Filing Description:

State Auto is submitting this forms filing to introduce a new product, CyberSecure Coverage, that responds to the threat of unauthorized intrusion into or interference with an insured's computer systems. This product includes coverages that address damage to data and systems from a computer attack and the liability that may arise from insufficient systems security. A corresponding rates and rules filing has been submitted separately, as required.

Attached are the following:

- Independent Forms
- Supporting Documentation

As this is a new product for State Auto, there is no effect on any insureds.

## Company and Contact

### Filing Contact Information

Doug Griffith, State Filings Regulatory Mgr Doug.Griffith@StateAuto.com  
518 E. Broad Street 614-917-5492 [Phone]  
Columbus, OH 43215 614-887-1615 [FAX]

### Filing Company Information

|  |                              |                                     |
|--|------------------------------|-------------------------------------|
| State Auto Property and Casualty Insurance Company | CoCode: 25127                | State of Domicile: Iowa             |
| 1300 Woodland Avenue                               | Group Code: 175              | Company Type: Property and Casualty |
| P. O. Box 66150                                    | Group Name: State Auto Group | State ID Number:                    |
| West Des Moines, IA 50265-0150                     | FEIN Number: 57-6010814      |                                     |
| (614) 464-5000 ext. [Phone]                        |                              |                                     |

|   |                              |                                     |
|---|------------------------------|-------------------------------------|
| State Automobile Mutual Insurance Company | CoCode: 25135                | State of Domicile: Ohio             |
| 518 East Broad Street                     | Group Code: 175              | Company Type: Property and Casualty |
| P. O. Box 182822                          | Group Name: State Auto Group | State ID Number:                    |
| Columbus, OH 43215                        | FEIN Number: 31-4316080      |                                     |
| (614) 464-5000 ext. [Phone]               |                              |                                     |

**SERFF Tracking #:** SAMM-130760124    **State Tracking #:**

**Company Tracking #:** DC\_CGL\_FM\_20161215\_SAC\_C  
YB

**State:** District of Columbia

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Company, ...

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## Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

State:

TOI/Sub-TOI:

Product Name:

Project Name/Number:

District of Columbia

17.2 Other Liability-Claims Made Only/17.2024 Internet Liability

Cyber - Forms

Cyber Liability/DC\_CGL\_FM\_20161215\_SAC\_CYB

First Filing Company:

State Auto Property and Casualty Insurance Company, ...

## Form Schedule

| Item No. | Schedule Item Status | Form Name   | Form Number | Edition Date | Form Type | Form Action | Action Specific Data | Readability Score | Attachments          |
|----------|----------------------|---|-------------|--------------|-----------|-------------|----------------------|-------------------|----------------------|
| 1        |                      | CyberSecure Coverage Form   | CY 00 01    | 06 16        | PCF       | New         |                      |                   | CY 00 01 (06 16).pdf |
| 2        |                      | Supplemental Extended Reporting Period Endorsement for CyberSecure Coverage | CY 02 00    | 06 16        | END       | New         |                      |                   | CY 02 00 (06 16).pdf |
| 3        |                      | CyberSecure Coverage Declarations   | CY 50 00    | 06 16        | DEC       | New         |                      |                   | CY 50 00 (06 16).pdf |

### Form Type Legend:

|            |  |            |                                  |
|------------|--|------------|----------------------------------|
| <b>ABE</b> | Application/Binder/Enrollment                | <b>ADV</b> | Advertising                      |
| <b>BND</b> | Bond   | <b>CER</b> | Certificate                      |
| <b>CNR</b> | Canc/NonRen Notice                           | <b>DEC</b> | Declarations/Schedule            |
| <b>DSC</b> | Disclosure/Notice                            | <b>END</b> | Endorsement/Amendment/Conditions |
| <b>ERS</b> | Election/Rejection/Supplemental Applications | <b>OTH</b> | Other                            |

**CYBERSECURE COVERAGE FORM**  
**COMPUTER ATTACK AND CYBER EXTORTION**  
**CYBER LIABILITY**  
**CYBER LIABILITY PROVIDES CLAIMS-MADE COVERAGE**  
**PLEASE READ THE ENTIRE FORM CAREFULLY.**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words “you” and “your” refer to the “named insured(s)” shown in the Declarations. The words “we”, “us” and “our” refer to the company providing this insurance.

Some words and phrases that appear in **bold** face or quotation marks have special meaning. Refer to DEFINITIONS.

The terms and conditions of the Cancellation Clause of the Common Policy Conditions and any amendment to such terms incorporated by endorsement are hereby incorporated herein and shall apply to coverage as is afforded by this CyberSecure Coverage, unless specifically stated otherwise in an endorsement(s) attached hereto.

## **SECTION 1 – COMPUTER ATTACK AND CYBER EXTORTION**

### **A. COMPUTER ATTACK – COVERED CAUSE OF LOSS**

This Computer Attack coverage applies only if all of the following conditions are met:

1. There has been a “computer attack”; and
2. Such “computer attack” is first discovered by you during the policy period for which this Coverage Form is applicable; and
3. Such “computer attack” is reported to us as soon as practicable, but in no event more than 60 days after the date it is first discovered by you.

### **B. COMPUTER ATTACK – COVERAGES PROVIDED**

If all three of the conditions listed above in COMPUTER ATTACK – COVERED CAUSE OF LOSS have been met, then we will provide you the following coverages for loss directly arising from such “computer attack”.

#### **1. Data Restoration**

We will pay your necessary and reasonable “data restoration costs”.

#### **2. Data Re-creation**

We will pay your necessary and reasonable “data re-creation costs”.

#### **3. System Restoration**

We will pay your necessary and reasonable “system restoration costs”.

#### **4. Loss of Business**

We will pay your actual “business income loss” and your necessary and reasonable “extra expenses”.

#### **5. Public Relations**

If you suffer a covered “business income loss”, we will pay for the services of a professional public relations firm to assist you in communicating your response to the “computer attack” to the media, the public and your customers, clients or members.

### **C. CYBER EXTORTION – COVERED CAUSE OF LOSS**

This Cyber Extortion coverage applies only if all of the following conditions are met:

1. There has been a “cyber extortion threat”; and
2. Such “cyber extortion threat” is made against you during the policy period for which this endorsement is applicable; and

3. Such “cyber extortion threat” is reported to us as soon as practicable, but in no event more than 60 days after the date it is first discovered by you.

#### **D. CYBER EXTORTION – COVERAGE PROVIDED**

If all three of the conditions listed above in CYBER EXTORTION – COVERED CAUSE OF LOSS have been met, then we will pay for your necessary and reasonable “cyber extortion expenses” arising directly from a “cyber extortion threat”. The payment of “cyber extortion expenses” must be approved in advance by us. We will not pay for “cyber extortion expenses” that have not been approved in advance by us. We will not unreasonably withhold our approval.

#### **E. SECTION 1 - LIMITS**

The most we will pay under Computer Attack and Cyber Extortion coverage is the Computer Attack and Cyber Extortion Limit indicated in the CyberSecure Coverage Declarations. If no limit is shown or is shown as Excluded in the CyberSecure Coverage Declarations, then the Computer Attack and Cyber Extortion coverage will be considered to have a limit of \$0.

The most we will pay under Data Re-creation coverage for loss (including “business income loss” and “extra expense” related to data re-creation activities) arising from any one “computer attack” is the Data Re-creation Sublimit indicated in the CyberSecure Coverage Declarations. This sublimit is part of, and not in addition to, the Computer Attack and Cyber Extortion Limit. If no sublimit is shown or is shown as Excluded in the CyberSecure Coverage Declarations, then the Data Re-creation coverage will be considered to have a sublimit of \$0.

The most we will pay under Loss of Business coverage for loss arising from any one “computer attack” is the Loss of Business Sublimit indicated in the CyberSecure Coverage Declarations. This sublimit is part of, and not in addition to, the Computer Attack and Cyber Extortion Limit. If no sublimit is shown or is shown as Excluded in the CyberSecure Coverage Declarations, then the Loss of Business coverage will be considered to have a sublimit of \$0.

The most we will pay under Public Relations coverage for loss arising from any one “computer attack” is the Public Relations Sublimit indicated in the CyberSecure Coverage Declarations. This sublimit is part of, and not in addition to, the Computer Attack and Cyber Extortion Limit. If no sublimit is shown or is shown as Excluded in the CyberSecure Coverage Declarations, then the Public Relations coverage will be considered to have a sublimit of \$0.

The most we will pay under Cyber Extortion coverage for loss arising from any one “cyber extortion threat” is the Cyber Extortion Expenses Sublimit indicated for this endorsement. This sublimit is part of, and not in addition to, the Computer Attack and Cyber Extortion Limit. If no sublimit is shown or is shown as Excluded on the CyberSecure Supplemental Declarations, then the Cyber Extortion coverage will be considered to have a sublimit of \$0.

The Computer Attack and Cyber Extortion Limit is an annual aggregate limit. This amount is the most we will pay for the total of all loss covered under Section 1 arising out of all “computer attack” and “cyber extortion threat” events which are first discovered by you during the present annual policy period. This limit applies regardless of the number of “computer attack” or “cyber extortion threat” events occurring during that period.

A “computer attack” or “cyber extortion threat” may be first discovered by you in one policy period but it may cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such “computer attack” or “cyber extortion threat” will be subject to the Computer Attack and Cyber Extortion Limit applicable to the policy period when the “computer attack” or “cyber extortion threat” was first discovered by you.

#### **F. SECTION 1 - DEDUCTIBLE**

The Computer Attack and Cyber Extortion coverage is subject to the Computer Attack and Cyber Extortion Deductible indicated in the in the CyberSecure Coverage Declarations. You shall be responsible for the applicable deductible amount as respects loss arising from each “computer attack” and “cyber extortion threat” covered under this Coverage Form.

### **SECTION 2 – CYBER LIABILITY**

#### **A. CYBER LIABILITY – COVERED CAUSE OF LOSS**

This Cyber Liability coverage applies only if all of the following conditions are met:

1. You first receive notice of a “cyber liability suit” during the policy period for which this Coverage Form is applicable or any Extended Reporting Periods; and
2. Such “cyber liability suit” is reported to us as soon as practicable, but in no event more than 60 days after the date it is first received by you.

#### **B. CYBER LIABILITY – COVERAGES PROVIDED**

If both of the conditions listed above in **SECTION 2 – COVERED CAUSE OF LOSS** have been met, then we will provide you the following coverages for loss directly arising from such “cyber liability suit”.

##### **1. Defense**

We will pay your necessary and reasonable “cyber liability defense costs”.

##### **2. Settlement Costs**

We will pay your necessary and reasonable “cyber liability settlement costs”.

#### **C. SECTION 2 - LIMITS**

Except for post-judgment interest, the most we will pay under Cyber Liability coverage is the Cyber Liability Limit indicated in the CyberSecure Coverage Declarations. If no limit is shown or is shown as Excluded on the CyberSecure Coverage Declarations, then the Cyber Liability coverage will be considered to have a limit of \$0.

The Cyber Liability Limit is an annual aggregate limit. This amount is the most we will pay for the total of all loss covered under Section 2 (other than post-judgment interest) arising out of all “cyber liability suits” of which you first receive notice during the present annual policy period or any Extended Reporting Periods. This limit applies regardless of the number of “cyber liability suits” of which you first receive notice during that period.

You may first receive notice of a “cyber liability suit” in one policy period but it may cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such “cyber liability suit” (other than post-judgment interest) will be subject to the Cyber Liability Limit applicable to the policy period when notice of the “cyber liability suit” was first received by you.

The Cyber Liability Limit for the Extended Reporting Periods (if applicable) shall be part of, and not in addition to, the Cyber Liability Limit for the immediately preceding policy period.

#### **D. SECTION 2 - DEDUCTIBLE**

The Cyber Liability coverage is subject to the Cyber Liability Deductible indicated in the CyberSecure Coverage Declarations. You shall be responsible for the applicable deductible amount as respects loss arising from each “cyber liability suit” covered under this Coverage Form.

### **EXCLUSIONS, ADDITIONAL CONDITIONS AND DEFINITIONS APPLICABLE TO ALL SECTIONS**

#### **A. EXCLUSIONS**

We will not pay for costs or loss arising from the following:

1. Loss to the internet, an internet service provider, or any computer or computer system that is not owned or leased by you and operated under your control.
2. Costs to research or correct any deficiency.
3. Any fines or penalties.
4. Any criminal investigations or proceedings.
5. Your intentional or willful complicity in a covered loss event or your reckless disregard for the security of your computer system or data.
6. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by you.
7. Any “computer attack” occurring prior to the first inception of this CyberSecure Coverage Form or any coverage substantially similar to that described in this Coverage Form.
8. That part of any “cyber liability suit” seeking any non-monetary relief.

9. Any "cyber liability suit" arising from a propagation of malware, "denial of service attack", or if applicable, loss, release or disclosure of business data or electronic display of information that occurred prior to the first inception of this CyberSecure Coverage Form or any coverage substantially similar to that described in this Coverage Form.
10. The propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers in connection with hardware or software created, produced or modified by you for sale, lease or license to third parties.
11. Seizure or destruction of property by order of governmental authority.
12. Nuclear reaction or radiation or radioactive contamination, however caused.
13. War and military action including any of the following and any consequence of any of the following:
  - a. War, including undeclared or civil war;
  - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
  - c. Insurrection, rebellion, revolution, usurped power, political violence, or action taken by governmental authority in hindering or defending against any of these.
14. Any "electronic media liability suit" brought against you if your business is (a) advertising, broadcasting, publishing or telecasting; (b) designing or determining content of web-sites for others; or (c) an internet search, access, content or service provider.

## **B. CONDITIONS**

The following conditions apply in addition to the Common Policy Conditions:

### **1. Abandonment**

There can be no abandonment of any property to us.

### **2. Concealment or Fraud**

This policy is void if you have intentionally concealed or misrepresented any material fact or circumstance relating to this insurance.

### **3. Cyber Extortion Service Provider**

- a. We will only pay under this CyberSecure coverage for cyber extortion negotiation and investigation services that are provided by service providers approved by us. You must obtain our prior approval for any negotiation and investigation service provider whose expenses you want covered under this CyberSecure coverage. We will not unreasonably withhold such approval.
- b. You must come to agreement with us regarding the service provider(s) to be used for the cyber extortion negotiation and investigation services. We will suggest a service provider. If you prefer to use an alternate service provider, our coverage is subject to the following limitations:
  - 1) Such alternate service provider must be approved by us;
  - 2) Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider we had suggested; and
  - 3) Our payment for services provided by any alternate service provider will not exceed the amount that we would have paid using the service provider we had suggested.

### **4. Coverage Territory**

The "computer attack" must involve a computer or other electronic hardware that is owned or leased by you and operated under your control within the United States of America, its territories and possessions, and Puerto Rico.

The "cyber liability suit" must be brought in the United States of America, its territories and possessions, Puerto Rico or Canada.

### **5. Due Diligence**

You agree to use due diligence to prevent and mitigate costs covered under this Coverage Form. This includes, but is not limited to, complying with reasonable and industry-accepted protocols for:

- a. Providing and maintaining appropriate computer and internet security; and



- b. Maintaining and updating at appropriate intervals backups of computer data.

## **6. Duties in the Event of a “Computer Attack”**

You must see that the following are done in the event of a “computer attack”:

- a. Notify the police if a law may have been broken.
- b. Give us prompt notice of the “computer attack”. As noted in Section 1 A.3., you must report the “computer attack” to us within 60 days of the date you first discover it.
- c. As soon as possible, give us a description of how, when and where the “computer attack” occurred.
- d. Take all reasonable steps to protect computers or other electronic hardware. If feasible, preserve evidence of the “computer attack”.
- e. Permit us to inspect the property and records proving the “computer attack”.
- f. If requested, permit us to question you under oath at such times as may be reasonably required about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed.
- g. Send us a signed, sworn statement containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- h. Cooperate with us in the investigation or settlement of the claim.

## **7. Duties in the Event of a “Cyber Liability Suit”**

If a “cyber liability suit” is brought against you, you must:

- a. Immediately record the specifics of the “cyber liability suit” and the date received; and
- b. Provide us with written notice, as soon as practicable, but in no event more than 60 days after the date the “cyber liability suit” is first received by you.
- c. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the “cyber liability suit”;
- d. Authorize us to obtain records and other information;
- e. Cooperate with us in the investigation, settlement or defense of the “cyber liability suit”;
- f. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of loss to which this insurance may also apply; and
- g. Not take any action, or fail to take any required action, that prejudices your rights or our rights with respect to such “cyber liability suit”.

## **8. Extended Reporting Periods**

- a. You shall have the right to the Extended Reporting Periods described in this section, in the event of a “termination of coverage”.
- b. If a “termination of coverage” has occurred, you shall have the right to the following:
  - 1) An Automatic Extended Reporting Period of 30 days after the effective date of “termination of coverage” at no additional premium in which to give us written notice of a “cyber liability suit” of which you first receive notice during said Automatic Extended Reporting Period for any propagation of malware, “denial of service attack”, or if applicable, loss, release or disclosure of business data or electronic display of information occurring before the end of the coverage period for this CyberSecure coverage and which is otherwise covered by this CyberSecure coverage; and
  - 2) Upon payment of an additional premium of 100% of the full annual premium applicable to this CyberSecure coverage, a Supplemental Extended Reporting Period of 1 year immediately following the effective date of “termination of coverage” in which to give to us written notice of a “cyber liability suit” of which you first receive notice during said Supplemental Extended Reporting Period for any propagation of malware, “denial of service attack”, or if applicable, loss, release or disclosure of business data or electronic display of information occurring before the end of the coverage period for this CyberSecure coverage and which is otherwise covered by this CyberSecure coverage.

To obtain the Supplemental Extended Reporting Period, you must request it in writing and pay the additional premium due, within 30 days of the effective date of “termination of coverage”. The additional premium for the Supplemental Extended Reporting Period shall be fully earned at the inception of the Supplemental Extended Reporting Period. If we do not receive the written request as required, you may not exercise this right at a later date.

This insurance, provided during the Supplemental Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the Supplemental Extended Reporting Period becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.

#### **9. Legal Action Against Us**

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within 2 years after the date the “computer attack” is first discovered by you, or the date on which you first receive notice of a “cyber liability suit”.

#### **10. Cyber Liability Defense**

- a. We shall have the right and the duty to assume the defense of any applicable “cyber liability suit” against you. You shall give us such information and cooperation as we may reasonably require.
- b. You shall not admit liability for or settle any “cyber liability suit” or incur any defense costs without our prior written consent.
- c. If you refuse to consent to any settlement recommended by us and acceptable to the claimant, we may then withdraw from your defense by tendering control of the defense to you. From that point forward, you shall, at your own expense, negotiate or defend such “cyber liability suit” independently of us. Our liability shall not exceed the amount for which the claim or suit could have been settled if such recommendation was consented to, plus defense costs incurred by us, and defense costs incurred by you with our written consent, prior to the date of such refusal.
- d. We shall not be obligated to pay any damages or defense costs, or to defend or continue to defend any “cyber liability suit”, after the Cyber Liability Limit has been exhausted.
- e. We shall pay all interest on that amount of any judgment within the Cyber Liability Limit which accrues:
  - 1) After entry of judgment; and
  - 2) Before we pay, offer to pay or deposit in court that part of the judgment within the Cyber Liability Limit or, in any case, before we pay or offer to pay the entire Cyber Liability Limit.

These interest payments shall be in addition to and not part of the Cyber Liability Limit.

#### **11. Other Data and Media Liability Coverage in This Policy**

Some elements of this CyberSecure coverage may also be covered under the policy to which this Coverage Form is attached. If so, this CyberSecure coverage will apply as excess, additional coverage. If loss payment has been made under the policy for the same event, the amount of such payment will count towards the deductible that applies to this CyberSecure coverage.

#### **12. Policy Period**

This policy applies only to “computer attacks” that are first discovered by you during the policy period shown in the Common Policy Declarations, and to “cyber liability suits” of which you first receive notice during the policy period shown in the Common Policy Declarations. The policy period begins and ends at 12:01 a.m., Standard Time, at your address shown in the Common Policy Declarations.

#### **13. Services**

The following conditions apply as respects any services provided to you by any service firm provided or paid for in whole or in part under this Coverage Form:

- a. The effectiveness of such services depends on your cooperation and assistance.
- b. We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events.

#### **C. DEFINITIONS**

With respect to the provisions of this Coverage Form only, the following definitions are added:

1. “Business Income Loss” means the sum of the:
  - a. Net income (net profit or loss before income taxes) that would have been earned or incurred; and
  - b. Continuing normal and necessary operating expenses incurred, including employee payroll, actually

lost by you during the “period of restoration”.

2. “Computer Attack” means one of the following involving a computer or other electronic hardware that is owned or leased by you and operated under your control:
  - a. Unauthorized Access - meaning the gaining of access to your computer system by an unauthorized person or persons; or
  - b. Malware Attack – meaning damage to your computer system or data arising from malicious code, including viruses, worms, Trojans, spyware and keyloggers. This does not mean damage from shortcomings or mistakes in legitimate electronic code or damage from code installed on your computer system during the manufacturing process.
  - c. “Denial of Service Attack”
3. “Cyber Extortion Expenses” means
  - a. The cost of a negotiator or investigator retained by you in connection with a “cyber extortion threat”; and
  - b. Any amount paid by you in response to a “cyber extortion threat” to the party that made the “cyber extortion threat” for the purposes of eliminating the “cyber extortion threat”.
4. “Cyber Extortion Threat” means a demand for money from you based on a credible threat, or series of related credible threats, to launch a “denial of service attack” against you. “Cyber extortion threat” does not include any threat made in connection with a legitimate commercial dispute. “Cyber extortion threat” does not include any threat to take an action other than a “denial of service attack” against you.
5. “Cyber Liability Defense Costs”
  - a. “Cyber liability defense costs” means reasonable and necessary expenses resulting solely from the investigation, defense and appeal of any “cyber liability suit” against you. Such expenses may be incurred by us. Such expenses may include premiums for any appeal bond, attachment bond or similar bond. However, we have no obligation to apply for or furnish such bond.
  - b. “Cyber liability defense costs” does not mean your salaries or your loss of earnings.
6. “Cyber Liability Settlement Costs”
  - a. “Cyber liability settlement costs” means the following, when they arise from a “cyber liability suit”:
    - 1) Damages, judgments or settlements; and
    - 2) Defense costs added to that part of any judgment paid by us, when such defense costs are awarded by law or court order; and
    - 3) Pre-judgment interest on that part of any judgment paid by us.
  - b. “Cyber liability settlement costs” does not mean:
    - 1) Civil or criminal fines or penalties imposed by law;
    - 2) Punitive or exemplary damages;
    - 3) The multiplied portion of multiplied damages;
    - 4) Taxes; or
    - 5) Matters which may be deemed uninsurable under the applicable law.
7. “Cyber Liability Suit” means:
  - a. a “network security liability suit”; and
  - b. If the Electronic Media Liability line under Cyber Liability Optional Coverage on the CyberSecure Supplemental Declarations is marked as Included, then “cyber liability suit” also means an “electronic media liability suit”.
8. “Data Re-creation Costs”
  - a. “Data re-creation costs” means the costs of an outside professional firm hired by you to research, re-create and replace data that has been lost or corrupted and for which there is no electronic source available or where the electronic source does not have the same or similar functionality to the data that has been lost or corrupted.
  - b. “Data re-creation costs” also means your actual “business income loss” and your necessary and reasonable “extra expenses” arising from the lack of the lost or corrupted data during the time

required to research, re-create and replace such data.

- c. "Data re-creation costs" does not mean costs to research, re-create or replace:
  - 1) Software programs or operating systems that are not commercially available; or
  - 2) Data that is obsolete, unnecessary or useless to you.

**9. "Data Restoration Costs"**

- a. "Data restoration costs" means the costs of an outside professional firm hired by you to replace electronic data that has been lost or corrupted. In order to be considered "data restoration costs," such replacement must be from one or more electronic sources with the same or similar functionality to the data that has been lost or corrupted.
- b. "Data restoration costs" does not mean costs to research, restore or replace:
  - a) Software programs or operating systems that are not commercially available; or
  - b) Data that is obsolete, unnecessary or useless to you.

**10. "Denial of Service Attack" means an intentional attack designed to overwhelm the capacity of the target computer system in order to deny or impede authorized users from gaining access to the target computer system through the internet.**

**11. "Electronic Media Liability Suit"**

- a. "Electronic media liability suit" means a civil proceeding against you in which damages are alleged. Such proceeding must be brought in the United States of America, Puerto Rico or Canada. Such proceeding must be based on an allegation that an error, misstatement or misleading statement in a display of information in electronic form by you on a website resulted in:
  - 1) Infringement of another's copyright, title, slogan, trademark, trade name, trade dress, service mark or service name;
  - 2) Defamation against a person or organization that is unintended; or
  - 3) A violation of a person's right of privacy, including false light and public disclosure of private facts.

"Electronic media liability suit" includes the following:

- 1) An arbitration or alternative dispute resolution proceeding that you are required to submit to or which we agree you should submit to; or
- 2) A written demand for money, when such demand could reasonably result in a civil proceeding as described in this definition.
- b. "Electronic media liability suit" does not mean any demand or action alleging or arising from property damage or bodily injury.
- c. "Electronic media liability suit" does not mean any demand or action brought by or on behalf of someone who is:
  - 1) Your director or officer;
  - 2) Your owner or part-owner; or
  - 3) A holder of your securities;

in their capacity as such, whether directly, derivatively, or by class action.

**12. "Extra Expense" means the additional cost you incur to operate your business during the "period of restoration" over and above the cost that you normally would have incurred to operate your business during the same period had no "computer attack" occurred.**

**13. "Network Security Liability Suit"**

- a. "Network security liability suit" means a civil proceeding against you in which damages are alleged. Such proceeding must be brought in the United States of America, Puerto Rico or Canada. Such proceeding must be based on an allegation that a negligent security failure or weakness with respect to a computer or other electronic hardware that is owned or leased by you and operated under your control allowed one or more of the following to happen:
  - 1) The unintended propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers. Malware does not include shortcomings or mistakes in legitimate electronic code.

- 2) The unintended abetting of a “denial of service attack” against one or more other systems.
- b. If the 3<sup>rd</sup> Party Business Information line under Cyber Liability Optional Coverage on the CyberSecure Coverage Declarations is marked as Included, then “network security liability suit” also means a civil proceeding against you in which damages are alleged which is brought in the United States of America, Puerto Rico or Canada and which is based on an allegation that a negligent security failure or weakness with respect to a computer or other electronic hardware that is owned or leased by you and operated under your control allowed the loss, release or disclosure of business data that is owned by or proprietary to a third party. This does not include personally identifying information or other information that is sensitive or personal to individuals. If the 3<sup>rd</sup> Party Business Information line under Network Security Liability Optional Coverage on the CyberSecure Coverage Declarations is marked as Excluded or is blank, then “network security liability suit” does not include such suits.
- c. If the Electronic Media Liability line under Cyber Liability Optional Coverage on the CyberSecure Supplemental Declarations is marked as Included, then “network security liability suit” also means an “electronic media liability suit”.
- d. “Network security liability suit” includes the following:
  - 1) An arbitration or alternative dispute resolution proceeding that you are required to submit to or which we agree you should submit to; or
  - 2) A written demand for money, when such demand could reasonably result in a civil proceeding as described in this definition.
- e. “Network security liability suit” does not mean any demand or action alleging or arising from property damage or bodily injury.
- f. “Network security liability suit” does not mean any demand or action brought by or on behalf of someone who is:
  - 1) Your director or officer;
  - 2) Your owner or part-owner; or
  - 3) A holder of your securities;
 in their capacity as such, whether directly, derivatively, or by class action.
14. “Period of Restoration” means the period of time that begins at the time that the “computer attack” is discovered by you and continues until the earlier of:
  - a. The date that all data restoration, data re-creation and system restoration directly related to the “computer attack” has been completed; or
  - b. The date on which such data restoration, data re-creation and system restoration could have been completed with the exercise of due diligence and dispatch.
15. “System Restoration Costs”
  - a. “System restoration costs” means the costs of an outside professional firm hired by you to do any of the following in order to restore your computer system to its pre- “computer attack” level of functionality:
    - 1) Replace or reinstall computer software programs;
    - 2) Remove any malicious code; and
    - 3) Configure or correct the configuration of your computer system.
  - b. “System restoration costs” does not mean:
    - 1) Costs to increase the speed, capacity or utility of your computer system;
    - 2) Labor of your employees;
    - 3) Any costs in excess of the actual cash value of your computer system; or
    - 4) Costs to repair or replace hardware.
16. “Termination of Coverage” means:
  - a. You or we cancel this CyberSecure coverage;
  - b. You or we refuse to renew this CyberSecure coverage; or

- c. We renew this CyberSecure coverage on an other than claims-made basis or with a retroactive date later than the date of the first inception of this CyberSecure Coverage Form or any coverage substantially similar to that described in this Coverage Form.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **Supplemental Extended Reporting Period Endorsement For CyberSecure Coverage**

This endorsement modifies insurance provided under the following:

**CYBERSECURE COVERAGE FORM**

### **SCHEDULE**

Supplemental Extended Reporting Period Additional Premium: \$\_\_\_\_\_

Supplemental Extended Reporting Period Effective Date: \_\_\_\_\_ at 12:01 A.M. Standard Time

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

Pursuant to your rights set forth in paragraph B.8.b.2) Extended Reporting Periods of EXCLUSIONS, ADDITIONAL CONDITIONS AND DEFINITIONS APPLICABLE TO ALL SECTIONS, the following provision applies as of the Supplemental Extended Reporting Period Effective Date shown in the above Schedule:

1. You shall have a period of 1 year following the Supplemental Extended Reporting Period Effective Date (shown in the above Schedule) in which to give written notice to us of a "network security liability suit" of which you first receive notice during said 1 year period for any loss, release or disclosure of business data, propagation of malware or denial of service attack occurring on or prior to the Supplemental Extended Reporting Period Effective Date and otherwise covered by this CyberSecure Coverage.
2. Notwithstanding any other provision of this CyberSecure Coverage, the Supplemental Extended Reporting Period shall not provide coverage for any loss, release or disclosure of business data, propagation of malware or denial of service attack occurring after the Supplemental Extended Reporting Period Effective Date.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

# CYBERSECURE COVERAGE DECLARATIONS

NETWORK SECURITY LIABILITY PROVIDES CLAIMS-MADE COVERAGE

PLEASE READ THE ENTIRE COVERAGE FORM CAREFULLY.

Policy Number:

Account Number:

Named Insured:

## SECTION 1 – COMPUTER ATTACK AND CYBER EXTORTION

|   |    |                  |
|---|----|------------------|
| Computer Attack Limit and Cyber Extortion<br>Limit  | \$ | Annual Aggregate |
| Sublimits   |    |                  |
| Data Recreation                                     | \$ | Per Occurrence   |
| Loss of Business                                    | \$ | Per Occurrence   |
| Public Relations                                    | \$ | Per Occurrence   |
| Cyber Extortion Expenses                            | \$ | Per Occurrence   |
| Computer Attack and Cyber Extortion Deducti-<br>ble | \$ | Per Occurrence   |

## SECTION 2 – NETWORK SECURITY LIABILITY

|  |    |                  |
|--|----|------------------|
| Cyber Liability Limit                      | \$ | Annual Aggregate |
| Cyber Liability Deductible                 | \$ | Per Occurrence   |
| Cyber Liability Optional Coverage          |    |                  |
| 3 <sup>rd</sup> Party Business Information | \$ |                  |
| Electronic Media Liability                 | \$ |                  |

ESTIMATED PREMIUM FOR THIS COVERAGE FORM: \$



|                      |  |                       |   |
|----------------------|--|-----------------------|---|
| State:               | District of Columbia   | First Filing Company: | State Auto Property and Casualty Insurance Company, ... |
| TOI/Sub-TOI:         | 17.2 Other Liability-Claims Made Only/17.2024 Internet Liability |                       |   |
| Product Name:        | Cyber - Forms  |                       |   |
| Project Name/Number: | Cyber Liability/DC_CGL_FM_20161215_SAC_CYB                       |                       |   |

## Supporting Document Schedules

|                  |                         |
|------------------|-------------------------|
| Bypassed - Item: | Readability Certificate |
| Bypass Reason:   | N/A                     |
| Attachment(s):   |                         |
| Item Status:     |                         |
| Status Date:     |                         |

|                  |                          |
|------------------|--------------------------|
| Bypassed - Item: | Consulting Authorization |
| Bypass Reason:   | N/A                      |
| Attachment(s):   |                          |
| Item Status:     |                          |
| Status Date:     |                          |

|                  |                         |
|------------------|-------------------------|
| Bypassed - Item: | Copy of Trust Agreement |
| Bypass Reason:   | N/A                     |
| Attachment(s):   |                         |
| Item Status:     |                         |
| Status Date:     |                         |

|                  |   |
|------------------|---|
| Bypassed - Item: | Expedited SERFF Filing Transmittal Form |
| Bypass Reason:   | N/A                                     |
| Attachment(s):   |   |
| Item Status:     |   |
| Status Date:     |   |

|                   |                         |
|-------------------|-------------------------|
| Satisfied - Item: | Forms Memorandum        |
| Comments:         |                         |
| Attachment(s):    | DC_Cyber_Forms_Memo.pdf |
| Item Status:      |                         |
| Status Date:      |                         |



This filing introduces a new product, CyberSecure Coverage, that responds to the threat of unauthorized intrusion into or interference with an insured's computer systems. This product includes coverages that address damage to data and systems from a computer attack and the liability that may arise from insufficient systems security.

The following proprietary forms and endorsements will be available for use with this product:

| District of Columbia  |             |              |           |
|---|-------------|--------------|-----------|
| Form Name   | Form Number | Edition Date | Form Type |
| CyberSecure Coverage Form   | CY 00 01    | 06 16        | PCF       |
| Supplemental Extended Reporting Period Endorsement for CyberSecure Coverage | CY 02 00    | 06 16        | END       |
| CyberSecure Coverage Declarations   | CY 50 00    | 06 16        | DEC       |